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BARRIERS TO MARKETING ACTIVITIES CONDUCTED BY THE COMMUNES IN POLAND

BARIERY PROWADZENIA DZIAŁAŃ MARKETINGOWYCH PRZEZ GMINY W POLSCE

Key words: territorial marketing, local development, socio-economic development level, commune

Słowa kluczowe: marketing terytorialny, rozwój lokalny, poziom rozwoju społeczno-ekonomicznego, gmina

Abstrakt. Over the recent years activities in the field of territorial marketing have been gaining in importance in Poland. Specially programmed marketing activities enable communes, districts or regions to obtain such necessary development factors as financial capital, human capital, tangible items and technology. Local authorities play a crucial role in this field as they are the main entities that prepare, organize, implement, coordinate and control all marketing activities in a certain place. In practice, such activities depend on many factors. The paper discusses promotion tools used by the communes of Mazovian Province and identifies barriers of marketing activities. Regardless of the level of socio-economic development of the communes, majority of the respondents indicated financial issues as barriers to marketing activities.

Introduction

A theoretical and empirical approach to the interest in territorial marketing, both in Poland and in other countries, is the result of socio-economic processes occurring today as well as of the emergence of new challenges associated with the course of development processes. There are many factors of the development of territorial marketing and they are frequently specific for a given country [Szromnik 2011]. In Poland, it is of the utmost importance to distinguish the settlement units functioning at different levels and to make them operate as separate entities, which is mainly the result of the administrative reform that went into effect in 1998. As a result, these units were entrusted with new tasks to be performed, which, in view of the changes of external conditioning factors that affect their functioning, compelled them to compete for resources, development-related factors, investments, financial resources, labour force, tourists, residents, etc. This also applies to the communes which have a task of satisfying residents' needs as best as they can. Territorial marketing is understood as a set of marketing activities undertaken by territorial communities and organisations of the environment within the framework of the process of strategic planning [Girard 1997]. The main entities which initiate and carry out marketing undertakings are the local government authorities [Szromnik 2011], which can make use of the territorial marketing as an important tool to support the management of the settlement unit, thus taking care of its social and economic development.

The application of marketing principles to the practice of settlement units must take into consideration their characteristics and specificity and it is not an easy task to put into practice. Within the concept of the marketing mix, with reference to a settlement unit, an especially complicated element is the product, which constitutes an accumulated socio-economic usefulness of the locality offered to the internal and external customers in order to satisfy their needs [Szromnik 2007]. One may distinguish a mega-product, that is to say a unit as a whole (for example a region, town or commune), which comprises the particular sub-products, such as tourist, investment, residential, and the like [Florek 2007]. Promotion, which is referred to as the whole of activities associated with the com-

munication of a territorial administration unit with its environment, is a particularly popular tool for territorial marketing. Its goal is to provide information about the unit (e. g. the commune), convince people of its advantages and persuade them to purchase or consume its territorial sub-products.

In practice, local government units in Poland undertake marketing activities with varying intensity. Promotion activities are best developed in regions (NUTS 2) and large cities, such as Poznań, Wrocław, Kraków, as well as Małopolska and Silesia regions (in 2012 these units were assessed and rated by the Best Place - European Place Marketing Institute as the leaders in promotion activities). As a result, the territorial marketing surveys usually apply to regions (provinces), and at the local level they cover districts and towns [Stanowicka-Traczyk 2008, Best Place 2013]. The surveys conducted at the level of the communes [Florek 2003] do not provide sufficient information.

Material and methods

The objective of this study was to identify the barriers to marketing activities conducted by communes in Poland, based on Mazovian Province. The conclusions were drawn on the basis of a questionnaire comprising closed and open questions. The survey was conducted in 2013 at randomly chosen communes (NUTS 5) of the Mazovian Province (exclusive of large towns). Replies were obtained from twenty-two communes. Questions were directed to the employees of the commune offices who were in charge of the problems of marketing activities. The findings were juxtaposed with the level of socio-economic development of the communes which was determined using a synthetic index of development (zi). The synthetic index of development was calculated using the method of standardized sums (also known as Perkal's method) [Perkal 1953, Chojnicki and Czyż 1973] and it was created in subsequent stages [Wojewódzka 2007]. Eventually 16 variables divided into 6 groups were used to create the synthetic index¹. The statistical data came from the Local Data Bank (BDL) of the Central Statistical Office [CSO 2004, 2010].

Depending on the values of the index (zi) reported in the years 2010 and 2004, the communes were subdivided into three groups: communes for which the value of the index declined (Group A), increased (Group B) and considerably increased (Group C).

The province covered by the survey is a particularly well-developed region in Poland due to its relatively highest level of economic development [Wojewódzka-Wiewiórska 2012]. The location of Warsaw is of the utmost importance for the entire region, since it favourably affects the functioning and development of the communes located within the limits of this province.

Results and discussion

In the case of nineteen communes surveyed in the province, the activities aimed at creating a positive image were planned and undertaken in a conscious way. In three units of local government representing each of the analyzed types, the activities in this field were not undertaken consciously.

As regards the period for which the activities are planned, they varied in the particular communes. In 58 percent of the units which plan these activities those were short-term assignments, that is to say they covered the period of two or three years. It was only in the case of three communes of the province (classified into Group A) that the activities were planned for a long period, that is to say for more than eight years.

¹ Set of variables selected to create the synthetic index: x_1 – death rate (number of deaths per year per 1000 people), x_2 – number of health centres per 1000 inhabitants, x_3 – registered unemployment rate (%), x_4 – employed persons per 1000 inhabitants, x_5 – employment rate within the working-age population, x_6 – number of enterprises per 1000 inhabitants, x_7 – total commune budget revenues per capita in PLN, x_8 – total investment outlays per capita in PLN, x_9 – number of dwellings completed per 1000 concluded marriages, x_{10} – number of dwellings with a bathroom (in % of the total of inhabited dwellings), x_{11} – length of the water supply network in km per 1 km², x_{12} – length of the sewerage network in km per 1 km², x_{13} – length of commune hard surface roads in km per 1 km², x_{14} – number of local councillors with higher education in relation to the total number of councillors, x_{15} – number of secondary-school students per 1000 inhabitants, x_{16} – number of library users per year per 1000 persons.

In thirteen commune offices out of all entities covered by the survey there was a separate unit (department or person) responsible for the shaping of a desired image of the commune. In the remaining nine communes tasks were entrusted on a current basis, depending on the needs, to the individual employees of the office. The analysis of the causes of the lack of a separate organizational unit set apart to conduct promotion activities shows that in six communes respondents pointed to financial difficulties, including three communes where personnel problems were also indicated. By juxtaposing the fact of the existence of a separate post in the commune office with the type of the commune, one may conclude that most of the communes classified into Group A did not have a separate department responsible for handling the promotion. In Group C there was a much larger number of the communes in which a separate organizational unit functioned, and they constituted two-thirds of all the communes in this Group.

The communes covered by the survey made use of the various promotion media (Fig. 1). The relatively smallest number of respondents pointed to opinion polls and plebiscites as well as to press conferences and neon signs. Respondents most frequently pointed to the organization of cultural, sports or occasional events, possession of a website as well press advertising (forty-six percent of respondents pointed to these promotion media). In terms of the frequency of replies, next came the sponsorship of various undertakings, the use of advertising gadgets and the application of charts and information posters (a total of 36 percent). No differences were found in using promotion media in the particular groups of communes. The replies of the respondents varied depending on the character of the commune (urban, rural or urban-rural commune). In municipal communes the highest percentage of survey responses referred to charts and information posters (27.9 percent), the use of opinion polls and plebiscites as well as the website (14 responses in each Group), and the lowest percentage was found in the case of advertising gadgets. The rural communes covered by the survey did not organize press conferences and they did not make use of advertising gadgets, while, most frequently, they pointed to the use of charts and advertising posters (27.5 percent) and to the use of the website (17.6 percent). In the case of the urban-rural communes most responses indicated, like in urban and rural communes, the use of charts and advertising posters (32.4 percent) together with the organization of different types of events (17.6 percent).

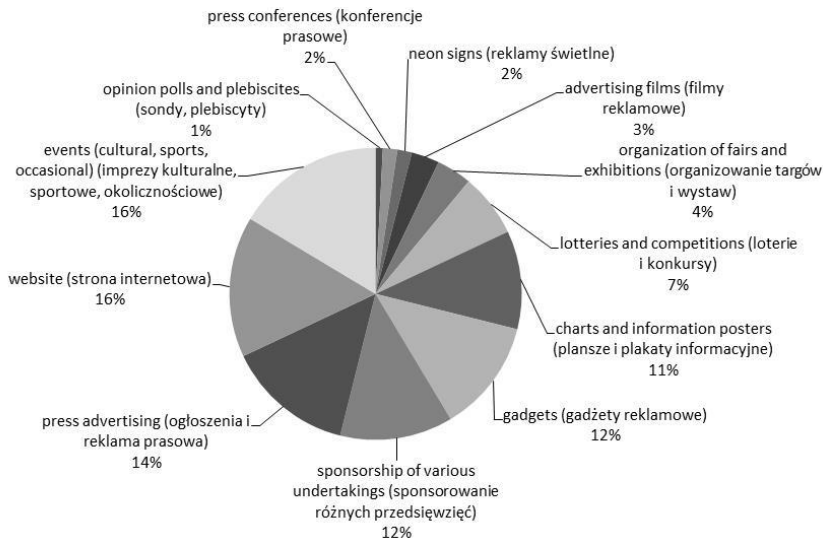


Figure 1. The promotion media used in the communes of Mazovian Province covered by the survey (percent of responses)

Rysunek 1. Środki promocji wykorzystywane w badanych gminach województwa mazowieckiego (% wskazań)

Source: own calculation

Źródło: opracowanie własne

Respondents also pointed to the benefits gained by the communes resulting from marketing activities. An overwhelming majority of the replies included the following aspects: possibility of drawing attention of the particular groups of recipients (tourists, investors, potential residents) to commune's products and services coupled with the increasing reliability among their partners, as well as creation of a positive image. In addition, respondents pointed to the integration of local milieus (including the integration of the authorities with the inhabitants of the commune) and the participation of residents, including also their interest in commune's affairs.

Respondents also pointed out that there were barriers (figure 2) affecting the range of promotion activities conducted in practice and restricting the activities aimed at improving the commune's image. Respondents pointed to the existence of many barriers. The vast majority of replies concerned the shortage of financial resources, which was reported in each group of communes. Another barrier indicated most frequently in the communes was an accidental nature of those activities and the lack of consistency and continuity of actions. Respondents mentioned relatively most rarely the lack of information about the position of the commune against a background of its surroundings as well as a conventional nature of the activities and limited originality of the marketing media and techniques applied. The analysis of survey responses in the particular groups of communes shows that in the communes classified into Group A the lack of financial resources was the most frequently indicated barrier, although other barriers mentioned in this group were considered to be equally important. Group B was the only group of communes in which respondents mentioned the barrier of the lack of access to the information about the advantages and weaknesses of the commune in relation to its surroundings. In the communes classified into Group C, apart from the lack of financial resources, other most important barriers mentioned by respondents included: underestimation of the importance of marketing activities in managing the entity as well as the lack of knowledge of the marketing issues on the part of the employees of the commune.

Respondents were also asked about the activities which, in their opinion, might improve the effectiveness of marketing activities conducted in the commune. In the communes classified into Group A respondents indicated many factors which might potentially improve the effectiveness of marketing and promotion activities. Most frequently, they pointed out that the budget increase

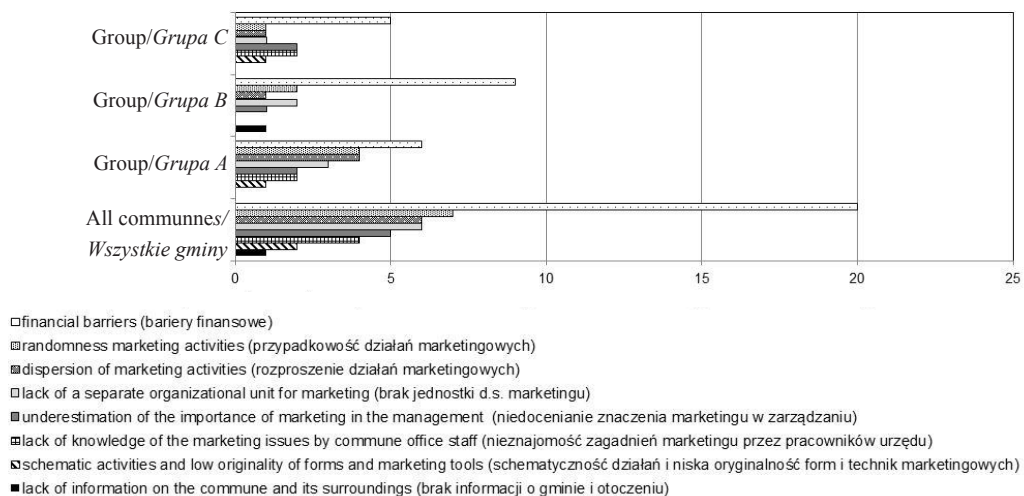


Figure 2. The barriers to marketing activities in the communes of Mazovian Province covered by the survey (number of responses)

Rysunek 2. Bariery ograniczające działania marketingowe w badanych gminach województwa mazowieckiego (liczba wskazań)

Source: own calculation

Źródło: opracowanie własne

was needed and that there was a need to employ people who would be responsible for promotion. In addition, the interviewed persons also postulated that communes should conduct large-scale activities and reach a larger number of recipients, as well as they ought to raise the consciousness regarding the benefits from marketing activities and to create new product categories. In the communes representing Group B respondents pointed only to the increase in financial outlays, and there was only one commune in which they indicated that there was a need to extend the working time of the office employees who were in charge of promotion. In the communes representing Group C there were only two cases in which respondents said that a budget increase was necessary. Most frequently, however, those interviewed said that there was a need to conduct surveys on the effectiveness of marketing activities undertaken by the commune. Also, a greater commitment of the local authorities and a better planning of marketing activities were postulated.

The findings of the survey for the communes of the Mazovian Province are consistent with the results obtained from the analysis of towns in Poland [Stanowicka-Traczyk 2008], where financial barriers are important and they restrict marketing activities in the case of 86 percent of towns as well as with the surveys conducted in provinces, districts and towns in which 46 percent of respondents point to the lack of financial resources in relation to the needs as a barrier restricting promotion activities [Best Place 2013].

Surprisingly, the respondents who pointed to the factors which might potentially improve the effectiveness of promotion activities in the commune made no mention of the need to cooperate with professionals. Thus, the conclusions drawn from survey results conducted in the provinces, districts and towns have confirmed [Best Place 2013] that in smaller administrative units (in communes in this case) there seems to be a prevalent opinion that this cooperation is very expensive and that it exceeds financial possibilities of the commune. Besides, the involvement of outsiders in promotion activities may not bring the expected benefits as they do not know the given commune.

Conclusions

1. The survey developed for this study allows us to conclude that the marketing activities carried out in the communes of the Mazovian Province are most frequently planned for a short period (two or three years). There are commune offices which have no special unit being responsible for promoting the commune, which is mainly the result of financial difficulties and personnel problems. They constituted 40 percent of the communes covered by the survey and they were the largest group among the communes characterized by the decline of social and economic development.
2. The communes undertake only standard forms of communication with internal and external recipients, that is to say residents, tourists or investors. Promotion media which were used in them and which were most frequently indicated by respondents included occasional events, websites and press advertisements.
3. The findings of the survey show that the communes faced many barriers which hampered their efforts to undertake effective marketing activities. In all the communes, regardless of the level of their socio-economic development, an overwhelming majority of the respondents pointed to financial barriers. Next came responses indicating that the activities were accidental. In the communes in which a significant rise in the development index value was observed, respondents pointed to a low quality of human resources and underestimation of the importance of marketing activities for the commune development management. This may indicate that there is a slightly higher consciousness of the fact that financial resources alone are not the only barrier to conducting effective marketing activities.

4. At the commune level, the role of the concept of territorial marketing in the management of the settlement unit is not understood. What is also lacking is the knowledge and consciousness of the relationship between an effective marketing communication and the achievement of the objectives associated with social and economic development. Communes in Poland have to perform many tasks to satisfy their residents' needs but they generally cope with the shortage of financial resources. In the days of the public finance crisis and economic slowdown the local authorities seek savings, which often involve promotion budget cuts. Moreover, the communes do not conduct surveys on financial resources needed for marketing activities or surveys covering the effectiveness of the marketing expenditures.

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Streszczenie

Działania z zakresu marketingu terytorialnego w Polsce zyskują w ostatnich latach na znaczeniu. Pozyskanie przez gminy, powiaty czy województwa niezbędnych czynników rozwojowych jest możliwe dzięki odpowiednim działaniom marketingowym. Głównym podmiotem odpowiedzialnym za przygotowanie i realizację całości przedsięwzięć marketingowych dotyczących danego miejsca są władze lokalne. W praktyce jednostki samorządu terytorialnego prowadzą różne działania, co zależy od wielu uwarunkowań. Scharakteryzowano stosowane w gminach województwa mazowieckiego środki promocji oraz wskazano bariery prowadzenia działań marketingowych. Najczęściej wskazywane bariery to: bariery finansowe, rozproszenie działań w ramach różnych jednostek organizacyjnych, przypadkowość działań oraz niedocenianie znaczenia działań marketingowych w zarządzaniu gminą.

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